



STATE OF TENNESSEE
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PAULA A. FLOWERS
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Universal Liquidation Filed

Nashville – Tennessee Commissioner of Commerce and Insurance Paula A. Flowers has petitioned for the liquidation of Universal Care of Tennessee, which finished its contract as a TennCare MCO on June 1.

TennCare officials announced in April that the state would terminate its contract with the troubled MCO because a range of management issues including questions about the company's net worth, delays in claims processing and unauthorized transfers of funds to an affiliated company.

Commissioner Flowers petitioned to liquidate the company on Thursday, June 5, asserting that there is no potential for rehabilitating the MCO. According to the liquidation petition, Universal has a current negative net worth of \$47.5 million, and received 100 percent of its revenue through its now-cancelled TennCare contract. It has been in regulatory supervision by TDCI since September 13, 2002.

Universal's 95,000 TennCare enrollees in Middle Tennessee have been transferred to TennCare Select, the program's safety-net MCO managed by Chattanooga-based Blue Cross Blue Shield.

TennCare is Tennessee's managed care insurance program for 1.3 million people who are poor, disabled or uninsured. A full copy of the Liquidation petition can be found at <http://www.state.tn.us/commerce/tenncare/liquidations/universal>